



MICHIGAN DEPARTMENT OF NATURAL RESOURCES
FOREST, MINERAL AND FIRE MANAGEMENT

DIRECT OIL AND GAS LEASE APPLICATION AND REQUIREMENTS

This information is required by authority of Part 5, Section 502, Act 451, P.A. 1994, as amended to obtain a mineral lease

SEE REQUIREMENTS INFORMATION ON NEXT PAGE

LESSEE INFORMATION	APPLICANT INFORMATION
Name of Intended Lessee:	Name of Applicant/Agent: Phone:
Address:	Address:
City, State and Zip Code:	City, State and Zip Code:

Specific State-owned Minerals Requested (Legal Description):

<input type="checkbox"/> Development <input type="checkbox"/> Non-development	Proposed Drilling Unit Acreage and Type (i.e., 80-acre Antrim, 40-acre Niagaran):
Proposed Drilling Unit Description:	Unitized Area Name and Description (Describe or Include Map):
Proposed Surface Well Location (Bottom hole also if directional drill):	Lease Terms Offered (bonus per acre, term, royalty rate):

Check applicable documents enclosed

- | | | | |
|--|--|---|---|
| <input type="checkbox"/> Leasehold Ownership Affidavit | <input type="checkbox"/> Map of Drilling Unit and Request | <input type="checkbox"/> Application Fee | <input type="checkbox"/> Registered Survey |
| <input type="checkbox"/> Mineral Tract Map | <input type="checkbox"/> MDOT Acquisition Deed(s) | <input type="checkbox"/> Applicable Assignments | <input type="checkbox"/> Private Leases and Drafts Paid |
| <input type="checkbox"/> Subdivision Plat Map | <input type="checkbox"/> List of Name(s) and Address(es) of Current Severed Surface Owner(s) for State-owned Minerals Requested. | | |
| <input type="checkbox"/> Other Documents (please list) _____ | | | |

Direct Lease Application Fees:

Non-development Request: \$200.00 per quarter section / Development Request: \$500.00 per quarter section

Number of Quarter Sections Requested	Non-development Requests (@\$200 ea)	Development Requests (@\$500 ea)	Total Amount Due	FOR DNR AUDIT USE ONLY
TOTAL AMOUNT PAID: \$				

MAKE CHECK OR MONEY ORDER PAYABLE TO THE "STATE OF MICHIGAN" (DO NOT SEND CASH)

SUBMIT REMITTANCE WITH THIS APPLICATION TO:

MAIL TO:

CASHIER'S OFFICE
OFFICE OF FINANCIAL SERVICES
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30451
LANSING MI 48909-7951

EXPRESS MAIL TO:

CASHIER'S OFFICE
OFFICE OF FINANCIAL SERVICES
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
530 WEST ALLEGAN STREET
LANSING MI 48933

DIRECT OIL AND GAS LEASE APPLICATION FEE
73550 - 51957 - 9162

**** DO NOT WRITE BELOW THIS SPACE - FOR DNR CASHIER'S USE ONLY ****

REQUIREMENTS

1. Application and/or cover letter should reflect:
 - A. Name and address of intended Lessee. Name and address of who to mail leases to if different from the intended Lessee. Include contact phone number.
 - B. Specific State-owned minerals being requested, i.e., SW1/4 NW1/4, Section 5, T29N-R06W, Mancelona Township, Antrim County.
 - C. Classification requested. Development or Nondevelopment (see below).

NOTE: Development classifications for Direct Lease applications may be requested and will result in the need for field review. Additionally, Nondevelopment classifications will continue to be offered and specifically processed for those minerals under the jurisdiction of other State agencies which have historically required Nondevelopment classifications, i.e., Military Affairs, Department of Transportation.

Direct Oil and Gas Leases are issued on a quarter-section basis. As of March 1, 1997, the following non-refundable application review fee must be submitted with each request for the application to be considered:

 - A. Nondevelopment classification request: \$200.00
 - B. Development classification request: \$500.00
 - D. Type of drilling, i.e., Antrim, Niagaran or Prairie du Chien (PDC).
 - E. Proposed drilling unit, i.e., NW1/4, Section. 5, T29N-R06W Mancelona Township, Antrim County. If the request is within a proposed or existing Unitized Area (UA), Uniform Spacing Plan (USP), or Voluntarily Pooling Agreement (VPA), include a copy or draft of the applicable agreement which describes all lands involved.
 - F. Proposed surface location of well, if known, and Department of Environmental Quality, Office of Geological Survey Permit Application number, if available.
 - G. Proposed lease terms. Note: Minimum of 3/16th royalty and maximum of three years.
2. Must be able to show majority leasehold ownership in drilling unit pursuant to R299.815(1). Therefore, submit copies of:
 - A. Private leases for lands included within the proposed drilling unit.
 - B. Lease Purchase Report or copies of drafts paid.
 - C. Executed assignments if private leases reflect a different Lessee.
 - D. Survey to verify "majority" interest if State-owned minerals reflect one-half of drilling unit, i.e., 80-acre Niagaran unit intended and State records reflect 40-acre interest. Lessee will need to provide a registered surveyor's verification that actual State interest is less than 40 acres, i.e., 39.877 and Lessee interest is 39.955 acres.
 - E. A mineral tract map coinciding with the leasehold ownership interests submitted.
3. Plat map outlining proposed drilling unit and State-owned minerals being requested. If requesting minerals within a proposed UA, USP, VPA, highlight boundary of all lands included in same.
4. If the request involves minerals located in a platted subdivision, a copy of the recorded plat and projected acreage calculation must be included. A registered surveyor's verification may be required to confirm the acreage amount.
5. If the request involves Michigan Department of Transportation (MDOT) lands or highway right-of-way, a copy of the deed reflecting how MDOT acquired the parcel is required along with the relevant part of the preliminary title opinion.
6. Public Noticing by the Applicant must be completed at least 30 days in advance of the anticipated Director's approval date. Upon completion of preliminary negotiations with DNR staff, the applicant must place a Public Notice in the local newspaper and serve copies of the notice to the Surface Owner where applicable. Directions for completing the Public Notice process will be provided upon completion of negotiations.